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### FEDERAL ADP FACILITIES MANAGEMENT MARKET TO REACH \$1.5 BILLION IN 1992

MOUNTAIN VIEW, CA, NOVEMBER 4, 1987 - The federal government ADP facilities management and on-site operations and maintenance services market will increase from \$1.0 billion in 1987 to \$1.5 billion in 1992, at an average annual growth rate of 8% states a new report from INPUT, a leading computer and communications industry market research firm.

In the report, Federal ADP Facilities Management Market, 1987-1992, INPUT concludes from a survey of new and recompleted programs that the 8% growth will be slower than expected. The market is comprised of two components--processing facilities management (PFM) and professional services facilities management (PSFM) and each has lower growth projected for different reasons.

The PFM market, called COCO (contractor-owned, contractor-operated) in government parlance, has declined to 8% from its 1985 projection of 16% because of increasing availability of new and upgraded government ADP equipment, expanding use of micro and minicomputers for end-user computing, with improved access to government data bases. The needs for standby ADP capability for emergency replacement of data centers and special short-term overloads are expected to sustain this sub-market in the 1990s.

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The PSFM market, called GOCO (government-owned, contractor-operated), which includes both facilities management and operations/maintenance activities, has also declined to 8% from its 10% level in 1985. The lower rate of expected growth responds to budget reductions under the Gramm-Rudmann Hollings Act, gradual shift from non-personal services to mission-contracting, less vigorous application of conversions due to cost comparisons under OMB A-76, and inclusion of post-installation operation under new systems integration contracts.

The report identifies factors that should sustain the market despite its maturity and lowered overhead recovery, including government staff requirements for new and replacement facilities that exceed available personnel pools, delays in startup of new facilities under deficit spending constraints, the proposed mediator role for the Office of Federal Procurement Policy in OMB A-76 protests and proposed exclusion of high technology positions from coverage by the Service Contract Act.

The INPUT report concludes with detailed recommendations for FM/O&M vendors, identification of key opportunities through 1992, and market forecasts. It suggests that teaming is essential to winning large FM contracts and that smaller contracts will be merged at large government installations during recompetitions.

Federal ADP Facilities Management Market, 1987-1992 is available from INPUT's headquarters office at 1280 Villa Street, Mountain View, CA 94041, (415) 961-3300 or from INPUT's federal research office at 8298C Old Courthouse Road, Vienna, VA 22180, (703) 847-6870.

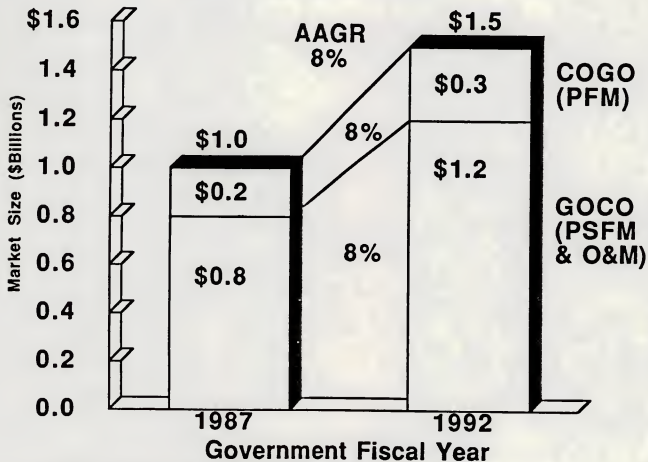
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NOTE TO EDITORS: For an editorial review copy of the report's Executive Overview, call Jan McDaniel at (415) 961-3300.







**FEDERAL FACILITIES MANAGEMENT  
MARKET FORECAST**

AAGR: Annual Average Growth Rate

Source: INPUT



